

**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AGREED-UPON PROCEDURES ENGAGEMENT
OF THE
GRANT COUNTY
PROPERTY VALUATION ADMINISTRATOR**

**For The Period
July 1, 2006 Through June 30, 2007**



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Independent Accountant's Report

Jonathan Miller, Secretary, Finance and Administration Cabinet
The Honorable Angela McLafferty
Grant County Property Valuation Administrator
Williamstown, Kentucky 41097

We have performed the procedures enumerated below, which were agreed to by the Grant County Property Valuation Administrator (PVA), solely to assist you with the accountability for statutory contribution receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts for the period July 1, 2006 through June 30, 2007. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the Grant County PVA. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Procedure -

Determine if the PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Re-perform the year-end bank reconciliation (June 30, 2007), for all bank accounts, to determine if amounts are accurate.

Finding -

The PVA has a receipts ledger, a disbursements ledger, and reconciles bank records to books each month. Auditor re-performed the year-end bank reconciliation (June 30, 2007) for all bank accounts and determined the amounts are accurate.

2. Procedure -

Confirm any and all payments by the city to the PVA. Compare recorded city receipts to confirmed payment amounts obtained from city governments. Also review the list of city receipts for completeness.

Finding -

City receipts agreed to confirmed payment amounts obtained from city governments. City receipts appeared complete.



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3. Procedure -

Confirm any and all payments made by the fiscal court to the PVA. Compare the budgeted statutory contribution by fiscal court to the legally required amounts calculated by the Department of Revenue. Trace the fiscal court payments from the fiscal court statutory contribution budget account to the PVA's local bank account.

Finding -

The Fiscal Court paid the entire legally required amount as calculated by the Department of Revenue to the PVA Office in December 2006. The salary portion should have been paid by September 1, 2006. The auditor traced this payment to the PVA bank account.

4. Procedure -

Judgmentally select 15 disbursements from PVA records and agree amounts to cancelled checks, paid invoices or other supporting documentation. Determine if the expenditure is for official business. Review all credit card statements (if any) to determine if expenditures are for official business.

Finding -

Auditor selected 15 disbursements from PVA records and agreed amount to cancelled checks, paid invoices, or other supporting documentation. Expenditures appeared to be for official business; however, auditor found that the PVA office was paying for per diem (lunch) on travel that was not overnight travel. Auditor also reviewed credit card statements and it appeared that all expenditures were for official business.

PVA's Response - Really did not know you had to spend the night. Previous administration did it the same way. Will stop immediately.

5. Procedure -

Compare capital outlay disbursements with cancelled checks, supporting documentation, and proper purchasing procedures. Verify the location of newly acquired assets. Determine if assets were added to the PVA's Capital Asset Inventory List.

Finding -

PVA purchased only one capital asset. Auditor compared the disbursement with the cancelled check and invoice. The cost of the capital asset was less than the dollar amount requiring a bid. The auditor was able to verify the location of the newly acquired asset. The cost of the asset was also less than the dollar amount requiring inclusion on the PVA Capital Asset Inventory List.

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6. Procedure -

Scan vehicle lease agreements, personal service contracts, and professional service contracts for cost schedules and compare to actual payments. Determine if services received were appropriate, for official business, and properly authorized.

Finding -

The only contract was for copier maintenance and it appeared to be proper.

7. Procedure -

Compare PVA's final budget to actual expenditures to determine if PVA overspent in any account series.

Finding -

Auditor compared the PVA's final budget to actual expenditures, and it appears that the PVA overspent the 200 series by \$724.

PVA's Response - Learned to keep better records.

8. Procedure -

Determine whether collateral is necessary for the PVA's funds. If necessary determine if a collateral agreement exists.

Finding -

The PVA bank account was over the \$100,000 for three days; therefore collateral was needed. There was no collateral security agreement in effect.

PVA's Response - Will get a collateral agreement.

9. Procedure -

Determine whether timesheets are completed, maintained, approved, and support hours worked.

Finding -

Timesheets are completed, maintained and support hours worked. Although approval is not documented directly on the timesheet, the PVA has stated that since she is the only time.

PVA's Response - Will start signing them.

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10. Procedure -

Determine whether cash balances were properly transferred from former PVA to new PVA.

Finding -

This procedure was not necessary since there was not a change in PVA's.

11. Procedure -

For newly hired employees, during July 1, 2006 through June 30, 2007 of the PVA office, determine if the Ethics Certification Form has been completed and is on file.

Finding -

After auditor inquiry, it was determined that there were no employees hired during July 1, 2006 through June 30, 2007

12. Procedure -

Determine if the PVA's office was closed any day other than the state's approved holidays. If so, determine if the proper procedures and forms were completed.

Finding -

After auditor inquiry, it was determined that the office was closed the entire day on Good Friday. The state holiday is only half day on Good Friday. Therefore, PVA employees were required to utilize leave time for the remaining half of the day. The PVA's office was not closed any day other than the state's approved holidays.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the receipts and disbursements, including capital outlay disbursements, city government receipts, recordkeeping, and leases and contracts. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Property Valuation Administrator and the Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,



Crit Luallen
Auditor of Public Accounts

October 31, 2007

